2019 Tax Filing Season and a Partial Government Shutdown

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The possibility of a partial shutdown of the federal government beginning on February 16 is raising renewed concern about how it would affect Internal Revenue Service (IRS) operations during the 2019 tax filing season, which lasts from January 28 through April 15, for most taxpayers. Funding for the agency would lapse if Congress and the President cannot agree on a plan to fund the Treasury Department (and certain other federal agencies) beyond February 15, when a continuing resolution is due to expire. A central concern is the ability of the IRS to assist taxpayers and tax practitioners with their tax obligations for the 2018 tax year and issue refunds in a timely manner during a shutdown.

How would the IRS operate if a shutdown were to occur during the 2019 filing season, and how would individual taxpayers be affected?

The Trump Administration has said that if a shutdown were to happen during the 2019 filing season, the IRS would process tax returns as it normally does. According to the agency's contingency plan for lapsed appropriations during the filing season, about 6 in 10 IRS employees would be called upon to work without pay during a shutdown.

More specifically, during a shutdown that coincides with the 2019 filing season, the IRS would accept paper and electronic returns. It plans to process accepted electronic returns as it normally does and issue any refunds that are due. But accepted paper returns would not be processed until after the shutdown ends, owing to limited staffing. As a result, taxpayers filing paper returns can expect lengthy delays in getting their refunds. At the same time, the IRS would process payments submitted with paper returns without delays. Online taxpayer services and the IRS's Free File and e-file programs would be unaffected by a shutdown.

Limited telephone assistance (800-829-1040) would be available during a shutdown for taxpayers with questions about their 2018 tax return only, but wait times would likely be longer than they were in recent filing seasons. Walk-in Taxpayer Assistance Centers and Taxpayer Advocate Service offices across the country would be closed, but free tax assistance would be available for eligible taxpayers through the IRS's Tax Counseling for the Elderly and Volunteer Income Tax Assistance programs and some Low Income Taxpayer Clinics.

In general, individuals who use a tax preparer or commercial tax software and have no need to contact the IRS for assistance, and whose return raises no red flags, would be likely to have a normal filing experience, except for a delayed refund. By contrast, individuals who try to get help directly from the IRS, claim the child tax credit or the earned income tax credit, or whose return contains errors would be likely to encounter considerable delays in having their returns processed.

For more details on the status of IRS appropriations for FY2019, see CRS In Focus IF10966, *Internal Revenue Service Appropriations, FY2019*, by Gary Guenther.

Author Information

Gary Guenther
Analyst in Public Finance

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